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Lafayette, Louisiana September 7, 2004 CULLEN R. LISKOW AUSTIN W. LEWIS

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Hon. James H. Welsh Commissioner of Conservation Office of Conservation Post Office Box 94275 Baton Rouge, Louisiana 70804-4275

Re:

L Zone, Reservoir A

Iberia Field

Iberia Parish, Louisiana

Dear Commissioner Welsh:

Application is hereby made on behalf of **DENBURY ONSHORE**, **LLC** for the calling of a public hearing, after legal notice, to consider evidence relative to the issuance of an order pertaining to the following matters relating to the establishment of rules and regulations and the creation of a single drilling and production unit for the L Zone, Reservoir A, in Iberia Field, Iberia Parish, Louisiana:

- 1. To establish rules and regulations and to create a single drilling and production unit for the exploration for and production of oil, gas and condensate from the L Zone, Reservoir A, in the Iberia Field, Iberia Parish, Louisiana, said unit to be designated L RA SUA.
- 2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed unit with each tract sharing in unit production on a surface acreage basis of participation.
 - 3. To designate Denbury Onshore, LLC as operator of the proposed unit.
- 4. To designate the Denbury Onshore, LLC Bullock No. 9 Well as unit well for the proposed unit.

- 5. To designate the Denbury Onshore, LLC Bryant No. 10 Well as alternate unit well for the proposed unit.
- 6. To permit the applicant to produce the unit allowable from the proposed unit and/or proposed alternate unit well, in any combination, at its discretion.
- 7. To provide that any wells drilled to the L Zone, Reservoir A, should be exempt from the spacing provisions of LAC 43:XIX.1901 et seq. (Statewide Order No. 29-E).
- 8. To provide that the Commissioner of Conservation should be authorized to reclassify the proposed zone and reservoir by supplemental order without the necessity of a public hearing if the producing characteristics of the reservoir change and evidence to justify such reclassification is submitted to and accepted by the Commissioner of Conservation.
 - 9. To consider such other matters as may be pertinent.

The L Zone, Reservoir A, in the Iberia Field, is hereby defined as being that oil, gas and condensate bearing zone encountered between the depths of 7,838 feet and 8,346 feet (electrical log measurements) (true vertical depths of 7,820 feet and 8,295 feet) in the Denbury Onshore, LLC – F. N. Bullock No. 9 Well, located in Section 25, Township 12 South, Range 7 East, Iberia Parish, Louisiana.

Pertinent data, including well logs, may be obtained <u>AT THE COST OF THE</u> <u>REQUESTING PARTY</u> from David Comeaux of Leon Comeaux & Associates, Post Office Box 53922, Lafayette, Louisiana 70505, Telephone Number (337) 233-9839.

Pursuant to the Rules of Procedure, pre-application notice was given. No request for the conference was received; therefore, the conference tentatively scheduled for September 15, 2004, WILL NOT BE HELD.

Attached hereto and made a part hereof is a plat outlining the applicant's unit proposal and a list of the names and addresses of the Interested Owners, Represented Parties, and Interested Parties to whom a copy of this application is being sent. Pursuant to the Revised Rules of Procedure, such plat (being the same plat attached to the pre-application notice dated August 25, 2004) and list of parties are being furnished only to the Commissioner of Conservation and to the District Manager of the Lafayette District of the Office of Conservation; however, the plat and/or the list of parties will be furnished to any party requesting copies. A reasonable effort was made to ascertain the names and addresses of all Interested Owners, Represented Parties and Interested Parties.



Finally, enclosed is our check on behalf of the applicant, in the amount of \$755.00 made payable to the Office of Conservation and representing the required hearing application fee.

Very truly yours,

ichard W. Revels, Jr.

RWRjr/dbf Attachments 18029.0030 125250_1.DOC

cc: Mr. Richard Hudson, Lafayette District Office of Conservationcc: Interested Owners, Represented Parties and Interested Parties

